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USDOC FOR 532/OEA/MNICKSON/ADYSON/TWILLIS/EHOLLAND
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: PRE LICENSE CHECK: BIT BY BIT LIMITED

REF: A) D410390 B) USDOC 00132

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. At the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a pre-license check (PLC) at Bit by Bit Limited, Unit A1-05, 6/F Hang Fung Industrial Building, Phase 1, 2G Hok Yuen Street, Hong Kong (Bit by Bit). The item in question is an ISO layer 7 load balancing router for internet servers. This item is classified under export control classification number (ECCN) 5A002 and is controlled for national security (NS) reasons. The license applicant is Coyote Point Systems, Inc. of Millerton, NY.

13. According to the Hong Kong Companies Registry, Bit by Bit (was registered in November 2007. Its directors are Hong Kong residents Chiu, Wai Chung, Choy, Kam Cheong, and Li, Man Tat. Its paid up share capital is the Hong Kong equivalent of USD 12.

14. According to the company web site (www.bitbybit.com.hk) Bit by Bit is an IT distribution company. It represents a range of U.S. and other international IT hardware manufacturers such as the license applicant, Coyote Systems.

15. On February 2, 2009, ECO and Commercial Assistant Carrie Chan visited Bit by Bit and met with Mark Li, General Manager. The meeting occurred at the offices of On-Time Technology, 907B, Shui Hing Center, 13 Sheung Yuet Road, Kowloon. When asked why the meeting was held at this address, Mr. Li stated that On-Time Technology is related to Bit by Bit and acts as a solutions provider using Bit by Bit procured products. Mr. Li stated that the companies are kept separate so that other solutions providers will not avoid Bit by Bit because of the affiliation. Mr. Li provided background on Bit by Bit and stated that it focuses on the provision of hardware for various internet and other IT applications.

16. As to the specific transaction in question, Mr. Li stated that the customer is Myweather LLC and he provided a copy of a quotation provided to the company. When asked for a Purchase Order to review, Mr. Li stated that Bit by Bit had never received a final purchase order from this company but had received payment and, for his purposes, this was enough to proceed. Mr. Li further clarified that, in fact, it appeared the final customer/end user will be My Weather & Traffic Technology (Beijing) Ltd. A review of the Myweather.net web site confirms that this order is likely destined to this end user for support of Myweather.net's expansion of its service into China.

17. ECO separately provided Mr. Li with links to the Commerce Control List and other know your customer guidance. Mr. Li stated that he would review such information closely.

18. Based on the information noted above, ECO believes that Bit by Bit is a suitable recipient of U.S. origin controlled technology, as reseller. ECO can make no determination about the end-user aside from the comments stated herein.